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SEPTEMBER 13, 1965

BRITAIN'S PROPOSED SMALL FARM SCHEME

IRISH LIVESTOCK INDUSTRY

U.S. FOOD PROMOTIONS IN BIG GERMAN STORES

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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SEPTEMBER 13, 1965

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Lush pasturelands, backbone of Ireland's livestock industry, surround this farmer's cottage in Donegal. Increased livestock output is the chief target in the Irish Government's economic expansion program (see page 5).

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Typical small British farms: top, family farm in Midlands, and below, hillside holdings in Lancastershire. Left, cattle graze on an economically viable farm, Buckinghamshire.

The United Kingdom Proposes New Programs For Small Farmers

By DAVID W. RIGGS
Foreign Regional Analysis Division
Economic Research Service

This fall the British Parliament will act upon an important new piece of legislation designed to restructure a large part of the agriculture of the United Kingdom.

Entitled "The Development of Agriculture," this White Paper proposes to resettle or retire from farming those producers who wish to leave the industry and also to increase the size of small farms. It also proposes to set up rural development boards, and finally, to encourage cooperatives in order to gain for farmers the benefits of large-scale farming and marketing.

Too many small farms

Three-quarters of Great Britain's 455,000 agricultural holdings [1] are small farms which produce only about 30 percent of the country's total agricultural output, and only about one-third of these fall within the limits of the present Small Farmers Scheme, i.e., 20-125 acres of crops and grass and 250-600 standard man-day labor requirements. Most of these farms eligible for aid under the Small Farmers Scheme as well as many of those not meeting the Scheme's minimum requirements are farmed by families who depend on them for all or most of their living. These are the people the government wants to help.

[1] The annual June Census of Agriculture counts holdings rather than business units, and as a result, there is no precise knowledge of the number of farms in the United Kingdom.

Farmers who consent to sell their small holdings for amalgamation will be eligible for a grant or an annuity. Farmers up to the age of 55 will receive a grant of $1,400 plus $42 per acre. Farmers age 65 or older will receive an annual annuity of $280 plus $2.80 per acre, and for those between 55 and 65, there is a choice of the two methods.

This part of the program has appropriate safeguards against misuse and is intended for those who wish to give up farms falling below the "commercial" standard. The land may be released for amalgamation, either under an approved amalgamation project or by sale to the state, and the bona fide small farmer, who is mainly depending on his farm, will be helped to make a fresh start elsewhere or to retire from farming altogether.

The government will encourage amalgamation projects that would result in commercial farms with at least 600 man-day labor requirements. These new farms would have to be financially sound and also would have to constitute a permanent unit under single ownership. But wherever practical, the occupier of the holding being amalgamated will have the option of remaining in the farmhouse.

Grants for amalgamation

Expenses necessary to amalgamation would be covered by grants of 50 percent of cost. They would be available for farm buildings, homes, roads, fencing, demolition, legal costs, and similar items but not for buying the land acquired in the amalgamation, as this might inflate land prices. Currently, the government is discussing with the

appropriate credit institutions how they may extend existing loan facilities to finance the purchase of land.

About 3,000 private amalgamations are now taking place each year, and it is hoped that, with the proposed legislation, this process will be accelerated. There are certain areas, such as Central Wales, where structural changes would be extremely slow if left entirely to private initiative; therefore, the government will be ready to buy on a voluntary basis land suitable for eventual merging with other land to form commercial farms. The price paid would be that established by the market.

The rural development boards which the government proposes to set up—and one is scheduled for Wales—would have the task of drawing up programs for rural development that would cover agriculture, forestry, and other land uses, such as recreation and tourism. These boards would work through private land owners, occupiers of land, and the public authorities concerned to obtain public support for the programs to be adopted. Besides, each board would have a number of specific powers. It would have to be consulted before any private or public programs in the area were approved, and it would have the power not only to purchase land offered for amalgamation but to pre-empt land when it comes on the market.

British farmers are not as cooperative-minded as farmers in some other European countries. However, a recent editorial in the *Farmer's Weekly*, the leading farm paper, closed with these remarks, "We have a clear choice. Either we integrate our own business to our own advantage, or others will integrate it in their own way to serve their own ends, leaving farmers in an even weaker and more fragmented position."

Few small farmers cooperate

The British Government believes that cooperatives have much to offer farmers, especially small farmers, and that now is the time to encourage them. In recent years, some progress has been made in cooperation among farmers with large holdings, but only a minority of small farmers participates in any form of cooperative effort in either farming or marketing.

To assist cooperatives, the government proposes a substantial extension of the range of grants. It also plans to extend government help to the promotion and encouragement of cooperative farming. Furthermore, a Central Council would be created, charged with supplying purposeful direction and coordination of the cooperative program and with administering all grants.

The National Farmers Unions have taken a broadly favorable view toward this proposed legislation, which, if enacted may increase government contributions to agriculture by more than $50 million a year within the next 5 years, depending, of course, upon the response to the various programs.

Roadside Signs Urge Self-Sufficiency in British Agriculture

Motorists traveling along Great Britain's billboard-free highways are currently being greeted by a series of roadside signs with such statements as "Millions Spent on Foreign Food, Let Us Grow It," "Great Farming, Great Britain," and "Take the Brakes Off British Farming."

(The photograph at the bottom of this page shows U.S. Agricultural Attaché Robert N. Anderson standing beside one of the signs along a main highway in the Midlands.)

These roadside attention-getters are part of the British National Farmers Union's campaign to get higher guaranteed prices for farm products and thereby to encourage greater agricultural self-sufficiency. Some British papers too have featured articles urging that the government take a more positive attitude toward furthering an increase in agricultural production throughout the country.

Giving impetus to the campaign was the 1965 Annual Price Review which increased guaranteed prices to British farmers by $28 million. This increase was significantly less than the National Farmers Union's goal of $86.8 million, and consequently was heavily challenged by the agricultural community.

Late in July, the Union's president, Sir Harold Woolley, toured the country speaking at farmers' meetings. His theme was, if British farmers were given higher incomes now to encourage them to produce more, the United Kingdom's agricultural output could be increased 5-6 percent a year. In 6 years, he claimed, the country could boost its output by $840 million, which would be equal to about 19 percent of its total food imports in 1964 and would save the country some $630 million in foreign currency.

Farmers reap extensive hay crop in Ireland's Kerry County.

Ireland's Livestock Industry Slated for Further Growth

To boost Ireland's position in the international market, the government's few direct subsidies are supplemented by indirect aid to livestock producers.

By C. S. STEPHANIDES
U.S. Agricultural Attaché, Dublin

Ireland's livestock industry, which reached a record export peak last year, is proving the greatest contributor to the growth of the country. Long the backbone of the nation's economy, the industry is now receiving stepped-up attention as the primary target in the Irish Government's Second Program for Economic Expansion.

Total exports from the Republic in 1964 amounted to about $622.7 million, of which more than $387.9 million consisted of agricultural products. Over $348.9 million, or almost 90 percent of all agricultural exports, were livestock and livestock products.

The value of Ireland's livestock and meat exports last year is estimated at $283 million, dairy products at $36.1 million, and other livestock products at $16.3 million. These record dollar figures partly resulted from high prices and partly from increases in amounts exported.

Several factors are contributing to the rapid growth of Ireland's livestock industry. Prevailing climatic conditions allow farmers to raise livestock with minimum costs for feed and housing. Good rainfall distribution and uniform temperature provide a grass-growing season, and consequently a pasturing season, covering 9 or 10 months each year. Thus, the Irish producer is better blessed than his counterpart on the Continent in his efforts to produce higher quality and more competitively priced livestock and livestock products.

Among European countries, Ireland suffers least from epizootic diseases and is among the best protected from most contagious diseases. These conditions are conducive to both growth capacity of the individual animal and maximum overall production.

Another factor which has contributed to the expansion and improvement of the livestock industry is Ireland's proximity to European markets where large quantities of livestock and livestock products are consumed.

The United Kingdom, Ireland's largest market, last year took 80 percent of the 800,000 head of cattle exported by the Republic and over 85 percent of the dairy products, lamb, mutton, and beef. British markets also accounted for all Ireland's sugar exports, almost all its chocolate crumb, and most of its wool.

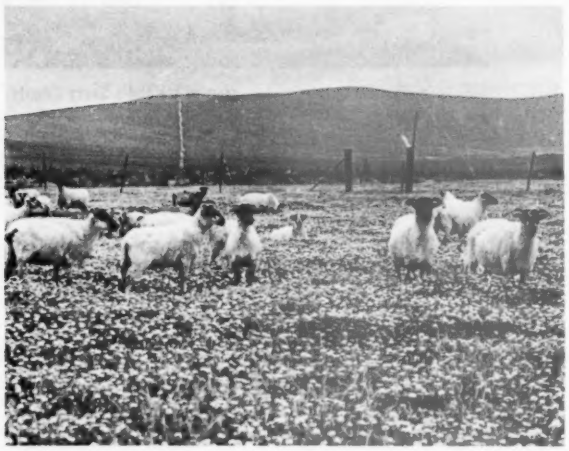
The European Economic Community became a significant market last year because of livestock shortages on the Continent. EEC purchases of Irish livestock and livestock products in 1964 were valued at about $71.3 million compared with $41.2 million in 1963.

Slaughter for export drops

The large exports of live cattle in 1964 had a strong effect on the domestic meat industry, which found it difficult to provide adequate supplies of finished cattle for slaughter at licensed export houses. As a result, the number of cattle slaughtered for export in 1964 was 100,000 head under the 1963 figure. This drop obliged the government to assist the industry temporarily by introducing a carcass beef subsidy scheme.

While Irish exports of carcass beef to the United Kingdom and the Continent in 1964 were up over the 1963

French Charolais cattle, left, were imported to upgrade the quality of beef cattle produced in Ireland. Below, each acre of this peat overseeded with clover at the Peatland Research Station in Glenamoy can feed three ewes and their lambs or the equivalent of five sheep.



level, this increase was at the expense of Ireland's boneless beef exports to the United States. The substantial decline—from 37,000 tons in 1963 to 7,500 tons a year later—was caused by both the reduced number of cows slaughtered and the lower U.S. prices as compared to those in the countries of Western Europe.

Few direct subsidies granted

In the last 10 years, the Government of Ireland has granted both direct and indirect assistance to agriculture. With the exception of pork and dairy products, no livestock products, whether consumed domestically or exported, receive direct government subsidy on a regular basis. Yet sales of nonsubsidized livestock and livestock products have increased faster, both in quantity and value, than most subsidized exports and enjoy the largest share of Ireland's export market.

Direct export subsidies in 1964 amounted to about $24.9 million for pork and $5.3 million for dairy products. Milk sold to creameries reached an all-time high of 362 million imperial gallons or 7.3 percent over 1963, and production during the first 3 months of 1965 was about 16 percent over the same period last year. The increased milk supply is creating difficulties in handling and marketing, and the dairy subsidy is consequently rising.

Besides these direct export subsidies, the government provides indirect subsidies for the production and improvement of livestock and livestock products. In 1964 it contributed more than $12.7 million toward lime and fertilizers for pastures and other field crops. Farmers also receive aid in maintaining farm buildings and adequate water supplies. Schemes of grants for calved heifers are administered at a yearly cost of almost $10 million—$42 per heifer saved annually over usual herd numbers.

By March 31 of this year 78,500 farmers had received grants for 203,500 calved heifers under the Heifer Subsidy Scheme, and it was estimated at that time that over 220,000 heifers would qualify for the subsidy during the next fiscal year. The subsidies have contributed to an increase in the cattle population, which in January 1965 was 151,000 heifers-in-calf higher than in January 1964.

$91.6 million appropriated

The Ministry of Agriculture's budget for fiscal 1965-66 is $91,605,850 distributed as follows: 29.9 percent, subsidy on dairy products; 5.9 percent, bacon price support; 9.6 percent for research, education, and advisory services; 13.9 percent, improvement of lands and buildings; 6.2 percent, bovine tuberculosis eradication; 14.9 percent, lime and fertilizer subsidy; 4.1 percent, improvement of livestock and livestock products; 10.4 percent grants for calved heifers; 3.4 percent, general administration; and 1.7 percent, miscellaneous.

To strengthen the increased contribution of livestock to the national economy, the government has made special provisions for the industry in its Second Program for Economic Expansion inaugurated in 1964. Percentage increases over 1964 production scheduled to be attained by the 1970 target date are: cattle, 31.6 percent; sheep, 32 percent; pigs, 18.4 percent; milk 39.4 percent; wool 40 percent; and poultry and eggs (value in dollars), 18 percent.

The Calved Heifer Subsidy Scheme, introduced as part of the Program, the increased milk price recently granted, and other improvement schemes are envisaged as sufficient inducement to farmers to expand cattle production. Annual output of cattle is expected to reach 1.5 million in 1970 compared with 1.1 million in 1964, while milk production is forecast at 760 million imperial gallons against the 1964 output of 545 million.

Annual sheep output of 2.5 million by 1970, compared with 1.9 million in 1964, is expected to put sheep numbers at approximately 6.6 million, and wool yield is predicted

at 27 million pounds over 19.7 million last year. Pig production, at 1.7 million in 1964, is slated to total 2 million annually. The dollar value of poultry and eggs is expected to rise from last year's $40 million to $47.6 million in 5 years.

Government imports purebred stock

To upgrade the quality of livestock produced under the expansion program, the Irish Government last year imported registered Charolais cattle from France and Friesian cattle and Texel sheep from Holland. The purchase was considered advantageous despite the danger of foot-and-mouth disease from the Continent and the high costs of selection, testing, quarantine in Europe, isolation, shipping, and quarantine again in Ireland before final distribution.

This was the first time in 70 years that Ireland has imported purebred breeding stock from the Continent to improve the productive capacity of its livestock. Earlier, in 1962, registered Charolais and Hereford cattle were flown in from the United States in an effort to speed up production of quality cattle. These imports from Europe and the United States, coupled with improved management, should contribute substantially to efficient production of livestock and livestock products.

Irish efforts toward quality livestock production and expansion of the livestock industry are leading to a change in livestock feeding patterns. Pasturing of sheep and cattle is gradually giving way to a combination of grass and concentrate feeding, causing animals to reach market weight at an earlier age and allowing farmers to make better use of pastures. By increasing their use of concentrated feeds, farmers can alternate periods of grazing with periods of pasture rest, as well as permit some pastures to grow into hay.

The shift from almost total grass feeding of sheep and cattle to combination grass and concentrate feeding has resulted in a 337 percent rise in use of manufactured feeds over the past 15 years—from 128,000 tons in 1950 to 560,000 tons in 1964. Imports of feed grains have consequently risen, and purchases from the United States last year totaled a record 189,000 tons compared with 82,650 tons a year before.

To date, Ireland's overall economic expansion program has scored successfully, especially within the livestock industry. Projected annual quotas for increases in animal numbers and milk and bacon production have been more than surpassed. Thus, the government's increased subsidies —direct and indirect—on both production and marketing of livestock and livestock products are making Ireland one of the important international competitors.

British Parliament To Consider Meat and Livestock Commission

The British Labor Party's recent White Paper proposing the creation of a commission to improve the marketing of meat and livestock in the United Kingdom will come up for discussion when the Parliament reconvenes in November. If approved, this Meat and Livestock Commission will be financed by a levy on all animals slaughtered for meat in Great Britain.

Members of the Commission will not be affiliated with the livestock and meat trade, but committees representing producers, distributors, and consumers will serve as advisers. As projected, the Commission's activities will cover production and marketing in England and Scotland but will not affect the livestock industry in Northern Ireland.

At the farm level, the Commission will encourage better breed testing, artificial insemination, and weight and feed recording and introduce other methods of livestock improvement.

Commissioners will approve slaughterhouses, bacon factories, and certification centers and draw up a code of fair and efficient practices at livestock auctions. Although they will furnish advice on the construction of slaughterhouses and improved slaughtering techniques, questions of hygiene will remain the responsibility of local authorities. The Commission will also be asked to introduce a carcass classification scheme which will operate on a voluntary basis at first and may be made compulsory later.

For the benefit of the consumer, the Commission will aim to improve the retail presentation of meat through descriptive markings and will advise the government on possible regulations for the display of price lists and price markings at retail outlets. An important phase of the Commission's activity on the retail level will be to promote the sale of domestically produced meat.

A comprehensive market intelligence system to be drawn up for producers, traders, retailers, and consumers is expected to remove many of the fluctuations and uncertainties that have caused problems in the past. For example, the Commission will help farmers place contracts for marketing their fatstock and will gather and disseminate marketing information.

Operation of the Fatstock Guarantee Scheme will be taken over from the Ministry of Agriculture. Although the Commission will act for the government in certifying fatstock for the guarantee, the government will remain responsible for its level and the conditions of eligibility. The functions of the Pig Industry Development Authority will also be integrated into the Commission.

A noticeable omission from the Commission's functions is that it will not undertake any trading activities itself and will have no support powers. Although the Commission will be looked to for advice on the meat supply situation at home and abroad, authority to act on imports and exports will remain with the government.

Commenting on the Commission on behalf of the National Farmers' Union of England and Wales and the NFU of Scotland, Sir Harold Woolley, president of the former group, questioned "whether the proposed Commission will be competent to bring about any real improvement in livestock marketing."

"I cannot see any major reform in these proposals which would significantly reduce the gap between the price the farmer receives and that which the housewife pays," he said. "It is particularly regrettable that it will have no power to intervene in the market in times of glut such as have been experienced in the past. In the Unions' view, such intervention could have saved millions of pounds of Treasury payment in 1961-62 without higher cost to the housewife."

Sir Harold also questioned the solely advisory role of livestock producers when it is they who will indirectly finance the Commission, yet will be directly affected by it.

Variety of Marketing Plans Sells U.S. Commodities Abroad

By ARMIN J. REHLING
Trade Projects Division
Foreign Agricultural Service

Since late 1963, cooperators in the market development program have been required to submit an annual marketing plan for each major project in each country. These must be approved by FAS before government funds are spent. This has been an important step in strengthening the program and resulted from the advice of the Advertising Council Committee and the marketing consultants who served on various program evaluation teams.

Marketing plans serve several very useful purposes. They serve as a basis for the allocation of government funds for market development work. They also make it possible for FAS to coordinate the programs of some 40 different cooperators operating in many foreign countries and to determine the feasibility of the programs proposed by cooperators.

Marketing plans have high operational value to the cooperators since to develop a marketing plan that will be acceptable the cooperator must study the market possibilities of each country where he plans to operate. He must also set up goals which he hopes to achieve, select activities, and determine personnel, funds and other resources needed to carry them out. In short, he must plan ahead and establish a defensible and logical program for each country where he plans a market development program.

Ninety marketing plans

Some 20 cooperating U.S. agricultural organizations, operating on a fiscal year basis, recently submitted about 90 separate marketing plans. Although a number of cooperators are working in the same general areas, principally Western Europe, plans still cover operations in 36 different countries.

Each country naturally has its differences, even those in the same general area of the world—differences, for instance, in people, government policy, import needs, consumer tastes, purchasing power, and religion. Marketing plans should recognize these differences since approaches must be adapted to them.

When the wide scope of variables encompassed by the 36 countries involved is considered, it immediately becomes evident that the problem of formulating a marketing plan with a good potential for results is not easy.

Widely varying markets

Market development activities are, for example, in progress in countries ranging in per capita annual income from about $75 to $2,000. Literacy rates vary from less than 30 percent to 100 percent. Some of the countries involved are enjoying substantial and rapidly growing foreign trade balances with large gold reserves and foreign exchange holdings; a second group is on the move with high prospects to become a growing cash market for agricultural products. A third group is, and has been, primarily if not wholly, a concessional market for the United States with no immediate prospect for substantial improvement. Marketing plans and the activities to be carried out under them must be geared to these vast differences.

Promotion geared to product

Another most important problem to be considered is the product to be promoted. Products represented range from wheat to cranberries. They include such staple commodities as rice, vegetable oils, and wheat flour; animal feeds, principally corn, barley and milo; human foods where greater selectivity in diet can be afforded, like poultry, beef, and fruits; food items which may not be well known in certain foreign markets like raisins, prunes, cranberries, citrus juices, Michigan pea beans, and others. In addition, there are important agricultural products having both food or feed and industrial uses such as tallow, lard, soybeans and soybean products, and those with strictly industrial uses like cotton, hides and skins, and leather.

What further complicates the problem is the fact, unfortunately often not well recognized, that people differ. They differ not only in purchasing power, food habits, and educational background, but also greatly in reactions and responses.

The sales approach that works in Chicago may fall flat in Germany. What is a great success in Germany must be changed considerably to be acceptable in Japan. A consumer advertising program may be quite appropriate in a good dollar market, but a waste of money and effort in developing markets.

Promotional media

Promotional media available and useful in the market development effort also vary greatly. Television may be the best and lowest cost medium for greatest results in country X while in country Y it may not be available to enough people. Also it's possible to glamorize citrus or cotton, but a different approach may be needed for other products. Use of extensive promotional literature in a largely illiterate country is a waste unless it is highly pictorial.

In countries strongly committed to domestic protectionism for a competing product a strong U.S. promotional effort can force the import doors to shut even tighter.

Promotional activities included in the various marketing plans cover a wide range of rather standard types of activities: trade fair participation, direct advertising, demonstrations, cooking schools, distribution of recipes and other informational material, technical assistance, school lunch programs, animal feeding trials, bakery training schools, trade teams, symposiums, and movie shorts.

Many factors involved

Activities and approaches under the market development program cannot be standardized. The preparation and implementation of a good marketing plan involve consideration not only of supply and demand, policy and politics, resources available for carrying out and supervising the program, but also of people, races, and a number of other important factors.

German Stores Carry on First Promotions of U.S. Foods

Late-summer promotion of American foods in three stores of West Germany's largest chain can, if successful, provide an important new medium for increasing sales of U.S. foods in this key European market.

The first in-store campaign to promote U.S. foods in Germany was launched in the Hamburg store of the Rudolph Karstadt chain around a "Far West" theme. A similar 10-day promotion followed at Karstadt's Wiesbaden store, and a third campaign opens next week at the Cologne store in connection with the ANUGA Trade Fair.

Ideal for introducing food products to German consumers, this major chain has grocery departments in about 60 of its 106 stores—all equipped with modern coldstorage and freezer facilities—and many stores have restaurants.

The Wiesbaden restaurant had Texas menus during the campaign featuring meats on sale in the grocery department, and sold about 140 American-style dishes a day.

The campaign in each case was kicked off with a press preview, followed up by a full-scale advertising program through newspapers, radio, and television. In Wiesbaden, a chuckwagon, American cowgirls, and square dancers attracted shoppers. Posters, charts of beef cuts, and window displays inside the store explained U.S. meat, and an American chef barbecued beef and poultry for sampling.

A luncheon press conference featuring charcoal-grilled steaks inaugurated the promotion at Wiesbaden. Newsmen were later invited to sample breaded shrimp and many of the canned products available. A total of 62 different U.S. food items gained from the publicity including frozen beef, poultry, TV dinners, and canned meats and vegetables. Canned green asparagus, chili powder, and chili beans were bestsellers among an estimated $25,000 of American food products moved as a result of the two promotions.

Popularization of frozen U.S. beef among German housewives may depend on their learning American ways of preparing it. German home economists suggested using a Karstadt monthly housewife seminar to demonstrate the preparation of some of the new U.S. foods, including steaks. Along with this consumer education, German hotel owners, restaurant operators, and caterers, who are particularly interested in our beef, may also serve as valuable entrees for U.S. foods to the German public.

Clockwise: U.S. Agricultural Attaché Paul Minneman (r) inspects store barbecue; square dancers draw crowds to Karstadt's at Wiesbaden; chuckwagon carries out Texas theme.

Canadian Cotton Use at High Level in 1964-65

Canadian cotton consumption during the 1964-65 season (August-July), based on the number of bales opened by mills, was 456,000 bales (480 lb. net), the highest since 1950-51. This was an increase of 3 percent over the 444,000 bales opened in 1963-64. Bale openings in 1964-65 exceeded by 19 percent the average annual consumption of 382,000 bales during the previous five seasons.

Consumption in July dropped to a seasonal low of 26,619 bales, compared with 37,151 in the preceding month and 26,753 in July of 1964. The low consumption rate in July corresponds with the annual mill vacations.

Imports of cotton into Canada during August-January of 1964-65 totaled 172,000 bales, 91 percent of which was U.S. cotton. Most of the remainder was received from Mexico.

India Announces Cotton Import Quota

India announced an import quota in mid-August covering 214,000 bales of 400 pounds gross (about 175,000 bales of 480 lb. net), to be imported from all sources between October 1965 and March 1966. Announcement of an additional 214,000-bale quota is expected to be made during December to complete India's obligation to import 428,000 bales during 1965-66 as a prerequisite for receiving U.S. cotton under P.L. 480.

The first allocations (in 400-lb. gross bales) will be 100,000 bales to actual user mills; 91,000 bales to mills against the export incentive scheme; and the remaining 23,000 bales to new mills and for defense requirements.

Malayan Cigarette Trade Continues To Decline

Malayan (Singapore and the States of Malaya) cigarette trade continued its downward trend through 1964.

Imports last year amounted to only 4.5 million pounds, compared with 6.2 million in 1963 and the 1951 record of 22.3 million. Imports from the United Kingdom, the principal historical supplier, totaled only 1.8 million pounds, compared with 2.8 million in 1963 and the 1952 high of 18.4 million. Takings from the United States showed an upward trend through 1963, when imports totaled a high of 3.3 million pounds, but then dropped to 2.7 million during 1964. Since 1960, imports from other suppliers, such as Australia, France, the Netherlands, and West Germany, have also declined.

Exports during 1964 totaled 2.1 million pounds, compared with 3.2 million in 1963 and the 1957 high of 5.5 million. The principal export destinations for Malayan cigarettes continued to be Sabah (formerly North Borneo), Sarawak, and Brunei. Shipments to Sabah alone account for about one-half of total exports.

U.S. Tobacco Imports Larger

U.S. imports of tobacco for consumption totaled 97.3 million pounds in January-June 1965, up 19 percent from those in the first half of 1964.

A sharp rise in reported cigarette leaf imports, plus a smaller increase in those of scrap, accounted for the gain from last year. (Cigarette leaf imports for consumption reported for January 1965 were unusually large, and may have compensated for an unusually low December 1964 total.)

Cigarette leaf imports for January-June 1965 totaled 72.2 million pounds, compared with 59.1 million a year earlier. Major suppliers of cigarette leaf this year were Turkey and Greece, which together accounted for 61.5 million pounds.

Imports of scrap tobacco rose from 19.8 million in the first half of last year to 22.2 million in January-June 1965. Imports from Cuba continued to be recorded as withdrawals from stocks which arrived prior to the embargo of February 1962. Imports from that country, however, were much smaller than those of several years ago, and the drop is more than being offset by larger imports of scrap from the Republic of the Philippines, the Dominican Republic, Colombia, and Brazil.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO[1]

Kind and Origin	January-June	
	1964	1965
	1,000 pounds	*1,000 pounds*
Cigarette leaf:		
Turkey	37,199	42,775
Greece	14,579	18,760
Yugoslavia	4,877	6,962
Italy	539	1,030
Lebanon	794	955
Others	1,108	1,754
Total	59,096	72,236
Cigar filler (stemmed and unstemmed):		
Mexico	360	485
Cuba	1,012	474
Dominican Republic	344	349
Brazil	351	273
Paraguay	89	219
Colombia	28	20
Philippines	155	2
Others	318	338
Total	2,657	2,160
Cigar wrapper, total	106	106
Scrap:		
Philippines	6,815	7,949
Dominican Republic	4,157	4,593
Colombia	3,798	2,992
Brazil	1,435	2,513
Cuba	1,374	743
Others	2,206	3,438
Total	19,785	22,228
Stems, total	157	531
Grand total	81,801	97,261

[1] Includes withdrawals from bond for consumption and releases from customs immediately upon arrival.

Bureau of the Census.

U.S. Cigarette Exports Down Slightly

U.S. exports of cigarettes during the first half of calendar 1965 totaled 11,378 million pieces—down less than 1 percent from the quantity shipped out in January-June 1964. The export value was $51.9 million, compared with $52.0 million a year earlier.

Principal markets for U.S. cigarettes in order of importance were Hong Kong, Spain, the Netherlands Antilles,

Malaysia, Kuwait, France, Paraguay, Italy, Panama, and Ecuador, each of which took at least 300 million pieces. Hong Kong and Spain, combined, purchased more than 2,000 million.

U.S. EXPORTS OF CIGARETTES

Destination	January-June			Percent change 1965 from 1964
	1963	1964	1965	
	Million pieces	*Million pieces*	*Million pieces*	*Percent*
Hong Kong	1,024.2	1,191.4	1,379.4	+15.8
Spain	291.4	704.3	706.6	+0.3
Netherlands Antilles	513.0	546.1	677.9	+24.1
Malaysia[1]	751.2	556.1	646.5	+16.3
Kuwait	613.6	723.4	623.7	−13.8
France	786.5	558.5	537.4	−3.8
Paraguay	42.4	277.3	427.6	+54.2
Italy	365.4	363.9	344.2	−5.4
Panama	276.9	375.0	334.9	−10.7
Ecuador	169.5	208.9	306.7	+46.8
Germany, West	254.5	262.4	263.4	+0.4
Australia	253.1	270.9	262.9	−3.0
Canary Islands	279.7	257.2	253.4	−1.5
Peru	399.4	300.5	253.3	−15.7
Belgium-Luxembourg	511.7	320.6	249.0	−22.3
Sweden	322.9	348.9	245.9	−29.5
Netherlands	201.7	273.9	230.0	−16.0
Switzerland	257.9	140.2	229.2	+63.5
Lebanon	226.8	207.8	225.6	+8.6
Japan	238.2	297.8	225.4	−24.3
Denmark	241.4	222.6	202.4	−9.1
Gibraltar	426.1	456.4	157.1	−65.6
Canada	116.9	129.8	141.7	+9.2
Morocco	387.4	146.5	131.2	−10.5
Yugoslavia	115.8	39.6	128.5	+224.5
Others	2,317.0	2,270.2	2,193.9	−3.4
Total	11,384.6	11,450.2	11,377.8	−0.6
	1,000 dol.	*1,000 dol.*	*1,000 dol.*	*Percent*
Value	53,291	52,019	51,865	−0.3

[1] Includes Singapore.

Bureau of the Census.

Singapore's Cigarette Output Up

Cigarette output in Singapore continued upward through 1964. Production last year amounted to 5.6 million pounds, compared with 5.3 million in 1963 and 4.8 million in 1962.

Output of cheroots last year rose to 215,000 pounds from 170,000 in 1963.

Argentina's Cane Output Down, Sucrose Yield Up

Argentina's 1964-65 sugarcane production is down about 11 percent from 1963-64, but the quantity of refined sugar produced is about the same as in the earlier year.

Lack of rainfall in Tucuman during a crucial period of the growing season reduced sugarcane production to only 10,551,000 tons, compared with 11,827,000 for 1963-64. Refined sugar produced, however, was 920,000 tons, compared with 950,000 tons a year ago. The disproportionate sugar output is due to a 13 to 14 percent increase in sucrose yield over that of last year.

Domestic sugar requirements are estimated at between 750,000 and 800,000 metric tons. This year's surplus of 150,000 tons, plus last year's carryover minus a compulsory domestic reserve of 80,000 tons, will leave approximately 220,000 tons available for exports.

The prospects of a bumper sugar crop for next year, plus its present surplus, have stimulated the Argentine sugar industry to push vigorously for an increased quota in the U.S. market. Argentina is requesting an increase in the quota from the current level of 59,244 short tons to 100,000 tons.

Malagasy Vanilla Exports Up

Exports of vanilla beans from the Malagasy Republic—the world's largest producer—during January-May 1965 totaled 386 metric tons or more than double the amount shipped during the same period in 1964. The sharp rise in exports is attributed to increased buying by the United States, which took nearly 90 percent of the shipments last year.

Under a Malagasy-United States marketing agreement, a 420-ton quota was allowed for shipment during the January-June 1965 period, and through recent negotiations, a quota of 470 tons was set for the remainder of the year. For the July-December quota, the advertising rebate, deducted from the sales price of $10.20 per kilogram, will be 40 cents per kilogram, instead of 80 cents as previously allowed.

Philippine Abaca Production Drops Further

Production of abaca in the Philippines fell to 209,668 bales in the second quarter of 1965 from 230,355 in the preceding quarter and 228,580 in the second quarter of 1964.

The 9-percent drop from the first quarter of 1965 is attributed largely to lower prices, especially for non-Davao abaca. The price of Davao I, landed New York, averaged 23.1 cents per pound in the first quarter of 1965 compared with 23.2 cents in the last half of 1964 and 23.9 cents in the first half of 1964. Non-Davao prices during the same periods averaged 21.75 cents, 22.5 cents, and 23 cents, respectively. However, the average for calendar 1963 had been at a low of 22.7 cents for Davao I and 21.5 cents for non-Davao I.

India's 1964-65 Sunn Crop Off Slightly

India's production of sunn (sannhemp) fiber in 1964-65 is estimated to have totaled 72,600 metric tons, down 2,300 tons from 1963-64, according to the all-India final official estimate of the crop. The harvested area in 1964-65 was estimated at 480,000 acres as compared with 488,000 in the preceding season. Acreage was down mainly in Uttar Pradesh, while low yields were experienced in Punjab as a result of excessive rains and flooding in July and August of 1964.

India regularly ships small quantities of sunn fiber to the United States where it is used mainly in the manufacture of cigarette paper. U.S. imports of sunn fiber, mostly from India, totaled approximately 1,000 metric tons in 1964 valued at $200,000.

Kenya's Pyrethrum Production Still Declining

Production (dried-flower basis) of pyrethrum in Kenya—the world's largest producer—during the July-June 1964-65 crop year amounted to 4,500 long tons, down 13 percent from the previous season and nearly one-half the size of the 1962-63 harvest. Production has been declining for the third consecutive year because of less favorable weather and labor problems encountered on farms that

are being taken over under the Settlement Scheme for subdivision into smallholdings.

However, world supplies are being augmented by larger harvests in Tanzania and Ecuador. Tanzania's crop during the first 11 months of the July-June 1964-65 season amounted to 2,657 tons, up 23 percent over the same period the year before. Ecuador's 1965 outturn is expected to be 1,000 tons larger than last year's yield of 1,800 tons.

Last year the United States imported $5.2 million worth of pyrethrum. The United States still buys most of its requirements from Kenya and Tanzania, although imports from Latin American suppliers have been increasing.

Morocco Has Large 1965 Almond Crop

Morocco's 1965 sweet almond crop is estimated at 7,200 short tons, or more than twice as much as the 1959-63 average production of 3,100 tons. Of the estimated 1965-66 7,400-ton supply, possibly 5,500 tons may be exported during the marketing season. Moroccan almonds have enjoyed strong demand so far this new season. The 1964 crop is now estimated to have totaled 4,400 tons of which 3,100 tons were exported.

Cuba was the largest buyer of Moroccan almonds during the 1964-65 season, taking 30 percent of total exports, followed by West Germany and France, with 26 and 18 percent, respectively. In 1964-65, Morocco also made substantial sales of bitter almonds to West Germany, Cuba, the United Kingdom, and France.

MOROCCO'S ALMOND SUPPLY AND DISTRIBUTION

Item	1963-64	1964-65	1965-66
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks (July 1)	---	300	200
Production	3,100	4,400	7,200
Total supply	3,100	4,700	7,400
Distribution:			
Exports	1,500	3,100	5,500
Domestic disappearance	1,300	1,400	1,600
Ending stocks, (June 30)	300	200	300
Total distribution	3,100	4,700	7,400

Indian State Bans Peanut Oil Exports to Other States

Gujarat State—the largest producer of peanuts in India—banned exports of peanut oil outside the State, effective August 22. This ban was prompted by current prospects of a reduced crop this fall and a large-scale flow of peanut oil from the State during the last month or two, the latter action resulting in a sharp rise in peanut oil prices in the State.

Despite a record peanut crop of almost 6.2 million short tons (in-shell basis) in 1964 and a complete ban on exports of edible oils from India since July 1964, the price of peanut oil, the most widely used edible oil, has risen by about 25 percent since the middle of May. The vanaspati industry, a large consumer of peanut oil in India, stopped buying its requirements of oil from the Bombay market late in May. This move, made possible by imports of U.S. soybean oil under Title I of Public Law 480, caused a temporary setback in prices. The slow progress of monsoon rains during June and July, however, again put pressure on peanut oil prices.

The industry decided on July 22 not to purchase peanut oil at a price higher than 2,700 rupees per metric ton (25.7 U.S. cents per pound). The decision, however, had little effect on the market, and prices continued to rise. The industry again entered the market in August.

Although vanaspati prices have hardly been increased by the manufacturers during the last few months, retail prices have gone up unofficially by about 25 percent since last May, the same as for peanut oil.

The ban imposed by the Gujarat State Government no doubt has lowered peanut oil prices in the State. It has, however, caused a sharp rise in Bombay prices, from 3,060 rupees per ton (29.1 U.S. cents per pound) on August 21 to 3,225 rupees (30.7 cents) after the ban.

Papua and New Guinea Copra Prices

The Papua and New Guinea Copra Marketing Board recently made a final price distribution of £12 19s. 0d. (US$29.01) for copra delivered during 1964. The final price distribution, together with earlier payments made by the Board, gave producers a total price for 1964 copra of £74 9s. 0d. (US$166.77) for hot air dried copra, £72 19s. 0d. (US$163.41) for fair merchantable standard copra, and £71 19s. 0d. (US$161.17) for smoked copra.

The total 1964 deliveries amounted to 106,230 long tons, and the total distribution to producers amounted to £1,375,716 (US$3.1 million). These prices resulted from the satisfactory marketing operations conducted by the Board during 1964.

Following the higher average prices for copra on world markets this year, the Board's tentative purchase price for copra paid upon delivery to ports, or at Board depots, were raised £10 (US$22.40) on June 1. The new prices at the main depots of the Board would be £71 10s. 0d. (US$160.16) for hot air dried, £70 0s. 0d. (US$156.80) for fair merchantable standard, and £69 9s. 9d. (US$155.65) for smoked.

Copra Production and Trade in Fiji

The Colony of Fiji exported 27,349 long tons of copra and coconut oil (oil basis) during 1964, accounting for 2 percent of total world trade in copra and coconut oil. Production of copra in 1964 totaled 41,200 tons, slightly larger than the 40,000-ton level of the previous 2 years, reflecting the subsidy scheme introduced August 1, 1963.

Under the scheme, subsidies are paid for clearing and thinning coconut groves and plantations, for replantings, and for new plantings; during 1964, 1,000 acres were replanted and 3,880 acres of new areas were planted. The scheme also encourages cattle grazing.

The hurricane in February struck the Yasawa Islands Group, and as a result, an estimated loss of 1,200 tons of copra annually is likely to be sustained for several years to come.

FIJI'S EXPORTS OF COPRA, COCONUT OIL, COPRA CAKE AND MEAL

Item	1962	1963	1964
	Long tons	*Long tons*	*Long tons*
Copra	6,862	5,961	7,078
Coconut oil	18,188	19,968	22,819
Copra cake & meal	7,736	7,849	9,519

The bulk of the copra goes to the crushing mills in Suva and only small quantities, 7,078 tons in 1964, are

exported as such. Prices at the end of May were £78 10s. 0d. (US$197.82) for hot air dried and £76 0s. 0d. (US-$191.52) for fair merchantable.

Coconut oil exports during the first quarter of 1965 increased to 5,400 tons from 4,800 in January-March 1964. Copra exports, however, declined to 1,000 from 1,600.

Japan's Exports of Marine Oils Decline

Exports of marine oils from Japan during 1964 totaled 107,784 metric tons, a decrease of 38 percent from 1963. These represented 79 percent of the total exports of all fats and oils from Japan in 1964 compared with 89 percent in 1963.

JAPAN'S EXPORTS OF MARINE OILS DECLINE

Item	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*
Fish liver oils	2,209	1,686	1,770
Fish body oils	670	114	297
Other marine oils	37	31	---
Total	2,916	1,831	2,067
Sperm oil:			
Germany, West	8,407	2,302	96
Netherlands	4,573	39,550	13,609
United Kingdom	9,779	3,853	2,540
United States	14,381	7,532	6,633
Other	3,358	323	2,132
Total	40,498	53,560	25,010
Baleen oil:			
France	---	13,564	13,111
Germany, West	16,325	15,685	15,901
Netherlands	44,644	54,690	25,119
United Kingdom	24,872	27,880	20,974
Other	5,598	5,607	5,602
Total	91,439	117,426	80,707
Grand total	134,853	172,817	107,784

Turkish Olive Oil Exports

Exports of edible olive oil from Turkey in the November-July period of 1964-65, at 19,389 metric tons, were sharply above the 800 tons exported in the comparable period of 1963-64. The marked gain reflects the bumper outturn, 100,000 tons, from 1964-crop olives. The outturn from the olive crop to be harvested later this year is expected to decline by about one-fourth.

World Tung Oil Production To Decline

Tung oil production in the major producing countries in 1965-66 is expected to decline by about 14 percent, both from that estimated for 1964-65 and from the annual average for 1954-55/1958-59. The decline reflects severe frost damage to crops in the major producing countries of the Western Hemisphere (chiefly the United States and Argentina), despite prospects of a somewhat larger outturn in Mainland China (Foreign Agriculture Circular FFO 10-65, June 1965).

For the Western Hemisphere alone, tung oil output during 1965-66, at an estimated 21,500 tons, will decline by more than one-half from that of 1964-65 and by two-fifths from the annual average for 1954-55/1958-59. Reflecting the reduced outturn in prospect, net exports from the Western Hemisphere might decline rather substantially this season. The major tung oil importing countries, notably those in Europe, may therefore be obliged to depend upon Mainland China as their chief source of supply. Official West German import statistics for the first half of calendar 1965 indicate tung oil imports of 1,865 tons, of which 1,624 were from China. In the like period of 1964, the country's total imports were 1,687 tons, of which only 573 were from China. The United Kingdom also took more tung oil from China in 1965—2,631 tons out of a total import of 3,307, against 979 tons out of a total import of 2,234 in the first half of 1964.

Prices for Chinese oil, quoted in bulk c.i.f. European ports, declined from an average monthly high of 26.2 U.S. cents per pound in April to 22.1 cents in the first half of August. Monthly prices in calendar 1964 averaged 22.1 cents against 36.0 and 39.2 in 1963 and 1962, respectively. Monthly prices during calendar years 1959 through 1964 averaged 25.0 cents per pound or slightly below those for Argentine oil, basis Europe.

ESTIMATED PRODUCTION OF TUNG OIL BY MAJOR PRODUCING COUNTRIES

Country	Average 1954-55/ 1958-59	1962-63	1963-64	1964-65	Forecast 1965-66
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
United States [1]	12.0	3.8	10.3	18.4	6.0
Argentina	19.4	17.4	19.9	18.7	9.5
Brazil	.9	1.4	1.4	1.5	1.5
Paraguay	3.5	4.3	7.2	6.0	4.5
Western Hemisphere	35.8	26.9	38.8	44.6	21.5
Others [2]	92.5	73.5	83.8	83.8	89.2
Total	128.3	100.4	122.6	128.4	110.7

[1] Production from domestically grown nuts. [2] Includes estimates for Mainland China, Malagasy, and Malawi.

Argentina Exports Less Tung Oil in 1964-65

Exports of tung oil from Argentina in the 1964-65 marketing year beginning August 1 totaled 17,783 short tons —11 percent below the 19,930 tons exported in 1963-64 but 9 percent above the volume shipped in 1962-63. Of the total in 1964-65, 10,234 tons were destined for the United States against only 6,069 and 5,832 tons in 1963-64 and 1962-63, respectively. Thus, shipments to other major destinations (chiefly the Netherlands, the United Kingdom, and West Germany) were markedly reduced.

ARGENTINA'S TUNG OIL EXPORTS

Month	1962-63		1963-64		1964-65 [1]	
	To U.S.	Total	To U.S.	Total	To U.S.	Total
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
August	---	701	110	2,058	220	420
September	497	669	110	852	757	1,720
October	1,148	2,247	943	3,061	275	877
November	926	1,998	197	670	1,554	2,145
December	702	1,607	423	1,640	1,979	2,649
January	304	1,814	75	1,834	957	2,453
February	441	1,791	97	1,001	357	1,411
March	115	563	---	1,644	494	884
April	134	992	351	1,955	1,607	2,776
May	---	610	137	954	823	1,080
June	974	1,507	2,269	2,780	1,211	1,356
July	591	1,887	1,357	2,481	---	12
Total	5,832	16,386	6,069	19,930	10,234	17,783

[1] Preliminary.
Compiled from shipments data, *Boletín Marítimo*, Buenos Aires.

Argentine tung oil prices, basis Europe, have declined significantly since May, despite reduced availabilities. The decline reflects a heavier volume of exports from Mainland

China into European countries. Despite this, average monthly prices in the first 7½ months of 1965 have been 8 percent above those in the like period a year ago. Future prices will depend to a large extent on Chinese availabilities of tung oil for export, which are believed to be somewhat above those of last year and significantly below those in 1955-59.

ARGENTINE TUNG OIL PRICES, MONTHLY AVERAGES [1]

Month	Average 1959-64	1962	1963	1964	1965
	U.S. cents per pound	*U.S. cents per pound*	*U.S. cents per pound*	*U.S. cents per pound*	*U.S. cents per pound*
January	23.1	24.6	38.3	26.4	25.2
February	25.2	31.3	38.2	25.6	24.8
March	26.1	32.8	38.0	24.0	24.9
April	26.6	37.6	37.2	23.0	26.2
May	26.2	39.0	36.5	21.7	26.2
June	26.0	39.2	36.2	20.7	([2])
July	26.1	39.1	35.9	20.7	22.6
August	25.3	38.7	33.4	20.4	[3]22.5
September	25.5	38.2	31.0	20.1	---
October	25.4	38.1	30.5	20.2	---
November	26.2	38.2	30.0	([2])	---
December	27.3	38.2	28.2	23.8	---
Average	25.8	36.2	34.4	22.4	---

[1] Quoted in bulk, c.i.f. European ports; converted from original at average rate of 2.8 U.S. dollars per £ sterling. [2] Not quoted [3] Preliminary through August 14.

Compiled from *Public Ledger*, London (Saturday edition).

South Africa's Production of Fish Oil Declines

Production of fish body oil in the Republic of South Africa and the Territory of South-West Africa during the first 5 months of this year totaled 36,951 short tons—down 16 percent from the 43,775 tons produced in January-May 1964. The production of fishmeal during the same period increased 12 percent.

Japanese Whaling Activities in North Pacific

Japan's three pelagic whaling expeditions operating in the North Pacific and Bering Sea caught 484 blue whale units and 959 sperm whales through July 3. This catch yielded 7,088 short tons of baleen oil and 7,860 of sperm oil. During the comparable period in 1964, the expeditions caught 541 blue whale units and 605 sperm whales, producing 8,296 tons of baleen oil and 5,157 of sperm oil.

During the entire 1964 season, the three expeditions produced a total of 12,880 tons of baleen oil and 21,446 of sperm oil.

Greek Olive Oil Production To Increase

Greece's preliminary official forecast of olive oil output from 1965-crop olives is 200,000 metric tons compared with 129,500 in 1964 and an annual average of 130,600 in 1954-55/1957-58.

Growing conditions so far this season have been favorable, especially on hilly and semimountainous areas, with adequate rainfall through June. Dacus fly infestations in June were reduced as the result of expansion of the government spraying program, although the program was somewhat behind schedule in some areas. In July and August, dacus fly attacks were limited by dry weather. In the fall, the most critical period when the olives may be severely damaged, dacus fly attacks are expected to be effectively reduced by further spraying.

Philippine Exports of Desiccated Coconut

Exports of desiccated coconut from the Philippine Republic during July totaled 8,972 short tons compared with 6,058 in June and 9,394 in July 1964. Exports during the first 7 months of 1965 totaled 37,561 tons as against 41,110 in January-July 1964. Of the total, 28,623 tons were destined for the United States as against 33,882 in January-July 1964.

Fishmeal Production and Exports by FEO Members

Production and exports of fishmeal by the six member countries of the Fishmeal Exporter's Organization (FEO) during the first 5 months of 1965 increased 1 percent and 8 percent, respectively, from the levels of January-May 1964.

These countries account for over 90 percent of the world exports of fishmeal. Peru, the world's leading producer, accounted for 74 percent of total exports by FEO countries in January-May; the Republic of South Africa, 8 percent; Norway, 7; Chile, 4; Iceland, 4; and Angola, 3 percent.

PRODUCTION AND EXPORTS OF FISHMEAL BY FEO COUNTRIES, JANUARY-MAY 1964 AND 1965

Country	Production		Exports	
	1964	1965	1964	1965
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Angola	24.7	17.2	23.9	21.3
Chile	75.2	41.4	62.2	46.4
Iceland	35.6	34.3	47.7	42.7
Norway	86.0	107.0	95.4	73.6
Peru	777.7	786.1	664.0	785.8
South Africa	130.0	149.2	90.2	90.1
Total	1,129.2	1,135.2	983.4	1,059.9

Fishmeal Exporter's Organization, Paris, France.

United Kingdom's Oil-Bearing Materials Crush

The quantity of oil-bearing materials crushed in the United Kingdom during the first 6 months of 1965 totaled 450,400 long tons as against 446,400 in January-June 1964. Soybean crushings rose to 135,600 tons from 115,400, and those of flaxseed rose to 55,300 tons from 50,000. The crush of peanuts declined to 44,200 tons from 68,600; cottonseed, to 56,600 tons from 60,600; and palm kernels, to 100,500 from 100,800. The crush of other miscellaneous oilseeds totaled 58,200 tons as against 51,000 in January-June 1964.

Production of crude oil from the above crush amounted to 150,800 tons compared with 155,000 in January-June 1964. The decline in the production of crude oil reflects the greater crush of lower oil-yielding oilseeds.

Sweden Revises Its Oilseed Production Estimates

Oilseed production in Sweden this year, according to the July 15 crop survey, is estimated at 207,800 short tons, or somewhat above the preliminary estimate of 191,600 tons (*Foreign Agriculture*, May 10, 1965). The current year's estimate is 3 percent below the volume produced in 1964 but more than two-fifths above the average annual production of 145,700 tons in the 1960-64 period.

The decline in production this year reflects a marked reduction in mustardseed because of reduced acreage. This reduction was, however, partly offset by increased rape-

seed output, brought about by increased acreage and yields from the winter crop. The spring crop, which is relatively small, declined because of reduced acreage and yields. Flaxseed production is negligible.

SWEDISH OILSEED PRODUCTION AND HARVESTED AREA

Item and year	Rapeseed	Mustardseed [1]	Flaxseed	Total
Harvestered area:				
1963 ---- 1,000 acres----	144.1	54.4	1.0	199.5
1964 [2] --- ----do--------	203.9	57.1	.7	261.7
1965 [3] --- ----do--------	224.6	22.7	.5	247.8
Production:				
1963 ---- 1,000 short tons	103.3	41.9	.6	145.8
1964 [2] --- ----do--------	170.5	43.3	.4	214.2
1965 [2] --- ----do--------	192.8	14.7	.3	207.8

[1] White variety only. [2] Preliminary. [3] Based on July 15 crop survey.

Sweden's exports of rapeseed in January-April 1965, at 31,281 short tons, were markedly above the 13,538 tons exported in the same period of 1964. Total Swedish rapeseed exports in 1964 amounted to 53,651 tons, against 33,902 in 1963 and an annual average of 41,251 in the 1955-59 period.

Rapeseed oil exports in the first 4 months of this year were 6,164 tons, against 3,617 in the corresponding period of 1964. Annual exports of rapeseed oil from Sweden in 1964 totaled 9,764 tons compared with 16,475 in 1963 and 11,742 in the 1955-59 period.

Pakistan's Sesame Output

Pakistan's 1964-65 sesameseed production is placed at 31,143 long tons from 208,830 acres, according to the final official estimate. This compares with 33,130 tons from 194,900 acres in 1963-64.

Spanish Olive Oil Exports Decline

According to the Spanish Olive Oil Syndicate, exports of olive oil from Spain during June were 1,647 metric tons compared with 2,843 tons in the previous month. Cumulative exports during the period November 1, 1964, through June 30, 1965, totaled 24,297 tons—73 percent below the 91,004 tons exported in the same period of 1963-64.

The Spanish Government, because of reduced olive oil availabilities, issued a resolution effective in March subjecting the Olive Oil Syndicate Exporters Group to a system of export quotas. These quotas are as follows:

Effective date	Final date	Quota
		Metric tons
March 11	April 30	20,000
May 5	June 15	25,000
June 19	August 15	25,000
August 18	September 15	12,500

Although allowable exports through mid-June 1965 were 45,000 tons, actual exports as reported by the Syndicate were only 10,164 tons. The volume of virgin oil exported during this period was cut drastically because of high prices and a Spanish export duty of 20,000 pesetas (US$333.33) per metric ton, which made exports to Italy, the major traditional market, prohibitive. Prices for blended oil (virgin and refined olive oil) also are high and Spain, consequently, has lost part of the U.S. and Canadian markets to Tunisian, Greek, and Turkish competitors.

Spanish olive oil prices since March have declined, reflecting stock disposition by the Spanish National Supply Commission. Although this decline may stimulate exports, the effect, in the opinion of exporters, will not be spectacular. The export quota scheme reportedly is not opposed by exporters, since the level of the export ceiling has not imposed any effective restriction. However, many feel there is little need for quotas when Spanish oil is not in demand in foreign markets.

Prospects for the 1965 crop have not changed (*Foreign Agriculture*, August 9, 1965). Although prolonged drought has affected the most important producing areas since March, autumn rains could significantly improve prospects for a larger outturn by allowing the fruit to regain its turgidity. There appears to be little basis for revising the production forecast before mid-November. Trade reports indicate dacus fly infestations have not been serious; thus the quality of the oil may be better than that in 1964-65.

Denmark's Production of Fishmeal and Oil

Danish output of fishmeal during the first 6 months of 1965 increased 38 percent over the same period in 1964—to 54,735 metric tons from 39,582. Solubles also rose to 7,353 tons from 4,905, but ensilage (chemically treated raw fish) declined to 2,308 tons from 3,018.

Production of fish oil increased 29 percent to 13,629 tons in January-June 1965 from 10,555 in January-June 1964.

Paraguay's Tung Oil Exports Decline

Paraguayan exports of tung oil, as compiled from trade sources, in the August-July 1964-65 marketing year totaled 3,977 short tons, sharply below the 7,658 tons exported in 1963-64 yet slightly above those of 1962-63. The decline reflected a reduction in the oil outturn from nuts harvested in 1964.

Shipments to the United States declined sharply from the high volume of 1963-64. Movements to other countries, largely Western Europe, also declined.

PARAGUAY'S EXPORTS OF TUNG OIL

Month	1962-63		1963-64		1964-65	
	To U.S.	Total	To U.S.	Total	To U.S.	Total
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
August ----	61	205	563	946	---	7
September -	72	72	123	727	220	225
October ---	677	684	224	921	506	506
November -	165	316	859	859	743	755
December --	347	347	472	681	355	544
January ---	154	600	618	627	---	278
February --	---	449	200	416	211	568
March ----	135	142	813	815	155	255
April ------	280	281	315	438	432	434
May ------	---	7	537	546	---	225
June ------	220	220	95	104	165	165
July -------	25	317	578	578	---	15
Total ----	2,136	3,640	5,397	7,658	2,787	3,977

Compiled from shipments data, *Boletín Marítimo*, Buenos Aires.

Peru's Exports of Fish Oil

Exports of fish oil (crude and semirefined anchovy oil) from Peru during the first 6 months of 1965 totaled 86,200 metric tons, one-fourth more than the 69,000 exported in January-June 1964.

Shipments to the Netherlands increased to 56,300 tons during this period from 35,300 in the 1964 period. These

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shipments include quantities destined for Dutch entrepôt warehouses. Shipments to Western Germany increased to 15,200 tons from 10,100, and those to Colombia, to 7,900 tons from 4,200.

Papua and New Guinea's Copra and Coconut Oil Exports

Copra and coconut oil exports from the Territory of Papua and New Guinea, oil-equivalent basis, increased 7 percent during January-June 1965—to 37,038 long tons from 34,721 in January-June 1964. Copra exports as such declined to 37,950 tons from 38,639, while exports of coconut oil rose sharply, to 12,850 tons from 9,992.

Exports of copra and coconut oil during 1964-65, oil equivalent basis, totaled 72,616 tons compared with 65,430 in 1963-64—an increase of 11 percent.

PAPUA AND NEW GUINEA'S EXPORTS OF COPRA AND COCONUT OIL

Item and country of destination	Year ending June 30	
	1963-64	1964-65 [1]
Copra:	*Long tons*	*Long tons*
Australia	26,563	28,058
United Kingdom	38,605	40,919
Japan	4,104	4,587
Total	69,272	73,564
Coconut oil:		
Australia	308	694
United Kingdom	20,788	24,171
Canada	---	670
Total	21,096	25,535

[1] Preliminary.

Overseas Trade Statistics, Territory of Papua and New Guinea.

The outlook for the 1965-66 season is for an increase in exportable supplies (in terms of copra) to an estimated 128,000 long tons, of which some 40,000 tons will be crushed by the oil mill at Rabaul for export as coconut oil. Weather conditions have been favorable, and higher export prices are likely to encourage native output.

Portuguese Olive Oil Outturn To Increase

Based on a preliminary forecast of fruit yields, the Portuguese olive oil outturn to be harvested from 1965-crop olives will be about 60 percent above the 48,000 metric tons estimated to have been produced in 1964-65, or roughly 77,000 tons.

This forecast, however, reflects olive yields per hectare that are about one-fifth below those averaged during the 10-year period 1955-64. This decline in yields is the result of the prolonged drought, which has prevailed in some regions. Infestations of the olive moth and dacus fly so far have not been severe.

French Polynesia's Copra Exports

Copra exports from French Polynesia during the first 6 months of 1965 totaled 9,200 long tons as against 11,200 in January-June 1964.

Angola's Exports of Palm Products Down

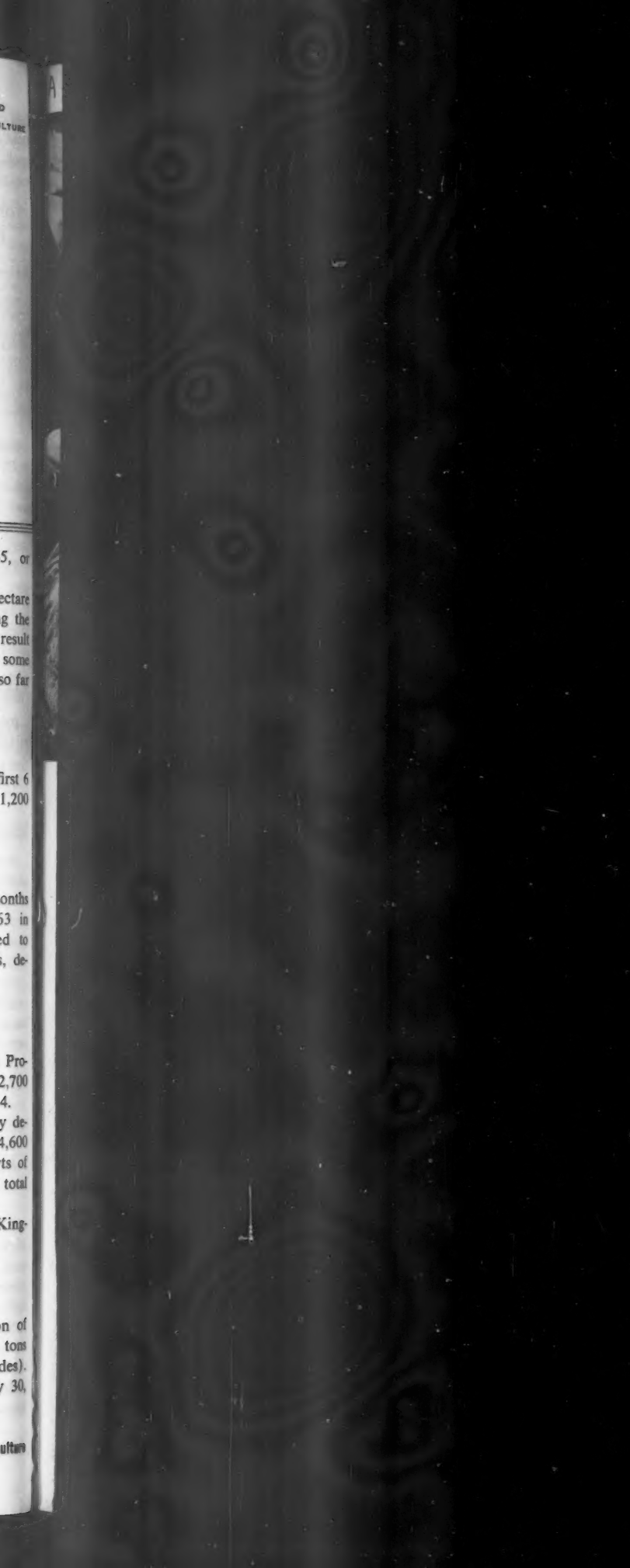
Palm oil exports from Angola during the first 3 months of 1965 declined to 2,810 metric tons from 4,163 in January-March 1964. Palm kernel exports declined to 3,261 tons from 3,316, and palm kernel oil exports, declined to 373 from 715.

Copra Exports by the Solomon Islands

Copra exports from the British Solomon Islands Protectorate during the first 6 months of 1965 totaled 12,700 long tons compared with 13,500 in January-June 1964.

The economy of the Protectorate is almost entirely dependent on copra. Exports in 1964, which totaled 24,600 tons, accounted for 1.7 percent of total world exports of copra and were the source of some 90 percent of the total value of domestic exports.

Copra exports are destined mainly for the United Kingdom and Australia.

Nigeria Increases Its Palm Product Purchases

The Regional Marketing Boards of the Federation of Nigeria, as of July 27, had purchased 264,861 long tons of palm kernels and 131,519 tons of palm oil (all grades). Purchases of palm kernels and palm oil through July 30, 1964, totaled 262,148 and 117,008 tons, respectively.